

## Introduced by Senators Soto and Sher

February 20, 2003

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An act to amend Section 22791 of the Government Code, relating to the Public Employees' Medical and Hospital Care Act.

## LEGISLATIVE COUNSEL'S DIGEST

SB 597, as introduced, Soto. Public Employees' Medical and Hospital Care Act.

The Public Employees' Medical and Hospital Care Act permits the Board of Administration of the Public Employees' Retirement System to contract with carriers for health benefits plans and major medical plans for employees and annuitants, and approve other specified plans.

This bill would make nonsubstantive, technical changes to a provision of that act.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 22791 of the Government Code is  
2 amended to read:  
3 22791. The basic health ~~benefit~~ *benefits* plans which may be  
4 approved by the board may include the following types:  
5 (a) One or more statewide service benefit plans under which  
6 payment is made by a carrier under contracts with physicians,  
7 hospitals, or other providers of health services rendered to  
8 employees or annuitants or family members, or under which,  
9 under certain conditions, payment is made by a carrier to the  
10 employee or annuitant or family member.



1 (b) One or more statewide indemnity benefit plans under which  
2 a carrier agrees to pay certain sums of money, not in excess of  
3 actual expenses incurred, for health services.

4 (c) Comprehensive group-practice prepayment plans ~~which~~  
5 *that* offer benefits, in whole or in substantial part, on a prepaid  
6 basis, with professional services thereunder provided by  
7 physicians practicing as a group in a common center or centers. A  
8 group shall include physicians representing at least three major  
9 medical specialties who receive all or a substantial part of their  
10 professional income from the prepaid funds.

11 (d) Individual practice prepayment plans ~~which~~ *that* offer  
12 health services in whole or in part on a prepaid basis, with  
13 professional services thereunder provided by individual  
14 physicians who agree, under ~~such conditions~~ *any condition* as may  
15 be prescribed by the board, to accept the payments provided by the  
16 plans as full payment for covered services rendered by them.

17 (e) Employee cost containment and cost reduction incentive  
18 programs ~~which~~ *that* involve the employee, the annuitant, and  
19 family members, as active participants, along with the plan carrier  
20 and the plan provider, in a joint effort toward containing and  
21 reducing the cost of providing medical and hospital health care  
22 services to public employees. In developing these plans, the board,  
23 in cooperation with the Department of Personnel Administration,  
24 may request proposals from carriers and certified public employee  
25 representatives.

26 (f) One or more self-funded or minimum premium plans.

27 The board shall report to the Legislature annually, on November  
28 1, relative to the success or failure of any approved plans.

29 Irrespective of any other provision of law, the sponsors of a plan  
30 approved under this section may reinsure the operation of the plan  
31 with an admitted insurer authorized to write disability insurance,  
32 provided that the premium for the insurance ~~shall include~~ *includes*  
33 the entire prepayment fee.